
LOS ANGELES COUNTY COMMISSION ON HIV HEALTH SERVICES

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February 17, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ENDORSEMENT OF COMMISSION ON HIV HEALTH SERVICES POSITION TO OPPOSE THE GOVERNOR'S 2004-05 BUDGET PROPOSED ENROLLMENT CAP ON AIDS DRUG ASSISTANCE PROGRAM (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Endorse the Commission on HIV Health Services position to oppose the Governor's Proposed 2003-04 mid-year and 2004-05 enrollment cap on the AIDS Drug Assistance Program and other proposed budget actions that reduces and/or curtails services and resources impacting persons living with HIV/AIDS or at risk of HIV/AIDS.
2. Instruct the Executive Officer of the Board of Supervisors to send a letter to Governor Schwarzenegger transmitting the action of the Board to oppose the Governor's Budget proposed enrollment cap on the AIDS Drug Assistance Program.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Governor's proposed 2004-05 Budget presented on January 9, 2004 included an enrollment cap proposed for the Acquired Immune Deficiency Syndrome (AIDS) Drug Assistance Program (ADAP). ADAP provides financial assistance to Human Immunodeficiency Virus (HIV)/AIDS-infected low-income persons to purchase the often-expensive prescription drugs necessary to manage their disease. ADAP is directly administered by the state; prescription drugs are purchased by eligible clients directly from state-contracted pharmacies and dispensaries throughout the state. The 2002-03 state budget for the ADAP was \$207 million, with an additional \$7.0 million diverted from the state HIV Diagnostic Assay Program (HDAP).

In addition, beginning January 1, 2004, the Governor proposed a cap to ADAP enrollment in order to preserve the existing level of service for the program. When enrollment exceeds the proposed cap, clients will be added to waiting lists on a first-applied, first-served basis.

As clients leave the program, waiting list clients will be served. The Governor's Budget included funds to purchase prescription AIDS drugs for the ongoing program caseload, maintaining the same level of program support as provided in 2003-04.

The proposed enrollment cap would limit and reduce care and treatment for persons living with HIV/AIDS and at risk of HIV/AIDS. Los Angeles County is home to between 52,000 to 58,000 people living with HIV/AIDS. Approximately one-half of the 20,000+ clients enrolled in ADAP statewide live in Los Angeles County, representing close to 50% of the total ADAP costs statewide.

Implementation of the proposed enrollment cap would ultimately shift the burden of caring for persons living with HIV/AIDS to the local health jurisdictions. As the most highly impacted county in the state by HIV/AIDS disease, and second only to New York in the nation, Los Angeles County would be faced with absorbing the cost of previously state-funded prescription drugs for those individuals exceeding the enrollment cap. Low-income persons living with HIV/AIDS who would qualify to participate in ADAP but otherwise cannot participate due to the enrollment cap would have nowhere to turn but to the County's own health care system.

The Commission on HIV Health Services (Commission), in coordination with the Office of AIDS Programs and Policy, the Prevention Planning Committee, the City of Los Angeles AIDS Coordinator's Office and Department of Disability, and many community partners, service providers and consumers, developed the attached Resolution, which was adopted by the Commission at its January 8, 2004 meeting.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

Statistics from the fourth quarter of 2002-03 indicate that more than 45% of all ADAP clients in the state lived in the County of Los Angeles. These clients received 47.5% of the prescription AIDS drugs, representing close to 50% of the total ADAP costs statewide. As a result, approximately one-half of the impact of the Governor's Budget proposal will most likely occur in Los Angeles County.

It is estimated that ADAP enrollment cap would cost as much as \$4.4 million in Los Angeles County. This represents a shift of ADAP prescription drug costs to the County for those Los Angeles County residents on the waiting list. Statewide statistics project that as many as 1,620 Los Angeles County residents will be added to the waiting list in the first 12 months of its implementation. Approximately 450 new clients enroll in ADAP each month statewide, while approximately 320 clients leave the program monthly, either by moving out of the state, becoming eligible for Medi-Cal, or mortality. The projection is that it will result in 130

new clients being added to the waiting list every month. The length of time any individual might be on a waiting list increases with the growing number of those already on the waiting list. Of the 130 clients, it is estimated that 65 clients per month, representing one-half of those clients placed on the waiting list, will be residents of Los Angeles County. Based on information from the State Office of AIDS, the average beneficiary-months per enrolled ADAP client is approximately 7.4 months annually, with an average annual cost per client of \$7,358 per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

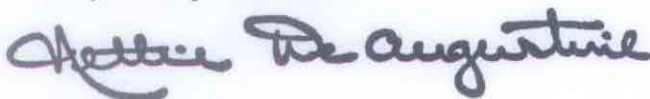
On January 8, 2004, the Commission adopted a resolution to oppose the Governor's 2004-05 Budget proposal to cap ADAP enrollment. Both the Department of Health Services' Prevention Planning Committee and the Los Angeles City Council will soon be considering resolutions similar to the one adopted by the Commission.

The recommended position to oppose the ADAP enrollment cap is consistent with the goals and policies for the second year of the 2003-04 State Legislative Session approved by the Board on December 16, 2004.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Governor's Budget proposal to institute an ADAP enrollment cap will shift the cost to the County of caring for low-income persons living with HIV/AIDS who would have otherwise qualified to participate in ADAP. Additional costs may be incurred if care and treatment is delayed, resulting in the HIV/AIDS disease advancing to stages that require more costly treatments.

Respectfully submitted,



Nettie DeAugustine
Co-Chair



Alvaro Ballesteros
Co-Chair

ND:AB
CAVJ:cha

Attachment

c: Chief Administrative Office
County Counsel
Department of Health Services
Office of AIDS Programs and Policy

**RESOLUTION OPPOSING PROPOSED STATE COST CONTROL
MEASURES THAT WILL SEVERELY IMPAIR MEDICAL CARE,
SERVICES AND PREVENTION EFFORTS FOR PEOPLE WITH HIV/AIDS
OR AT RISK OF HIV INFECTION**

WHEREAS, any official position of the County of Los Angeles regarding legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must be first adopted by the Los Angeles County Board of Supervisors; and

WHEREAS, as many as 125,000 Californians may be HIV-infected or living with AIDS, and it is estimated that an additional 6,500 - 9,000 people in the State are infected with HIV every year; and

WHEREAS, new therapies for treating HIV and opportunistic infections have helped people with HIV/AIDS live longer and healthier lives, as indicated by a 32% increase in the number of California residents with AIDS since 1998; and

WHEREAS, HIV prevention programs are critically important to reducing the human and financial costs of this disease and have been demonstrated to be the most cost-effective response to the HIV/AIDS epidemic; and

WHEREAS, scientific research, both medical and behavioral is critical to effective intervention strategies and vital to evaluation of successes in the treatment and prevention of HIV and AIDS, and

WHEREAS, the AIDS Drug Assistance Program (ADAP) provides critical, life-saving medications to approximately 20,000 uninsured and under-insured people living with HIV in California; and

WHEREAS, capping ADAP enrollment has been proposed as a cost control measure, and will result in people with HIV/AIDS being placed on waiting lists, delaying or preventing their access to time-sensitive, life-preserving medications; and

WHEREAS, people with HIV/AIDS on an ADAP waiting list may die or develop more serious conditions as a result of delayed or interrupted treatment; and

WHEREAS, people whose HIV conditions have worsened due to the delays or interruptions in accessing ADAP may require more expensive treatments and may be unable to work, resulting in greater reliance on public assistance and publicly-funded medical care, the cost of which will far outweigh the cost of providing necessary medications through ADAP; and

WHEREAS, approximately 28,000 Californians living with HIV/AIDS depend on Medi-Cal for primary medical care and prescription coverage; and

WHEREAS, every dollar reduced from the State's Medi-Cal program will result in the loss of approximately one dollar of federal funding, therein doubling the negative impact of the cuts; and

WHEREAS, reductions in reimbursements to providers will decrease the statewide pool of physicians willing to accept Medi-Cal patients even further (less than 50% are currently willing to accept Medi-Cal patients), and will force many more providers to stop treating Medi-Cal patients, including those with HIV/AIDS; and

WHEREAS, the proposed ADAP enrollment caps, Medi-Cal reductions, and other measures will undermine medical care, services and prevention efforts for people with HIV/AIDS or at risk of HIV infection throughout the State and throughout Los Angeles County;

THEREFORE, BE IT RESOLVED, the County of Los Angeles:

- Proclaims its support for access to life-saving ADAP-supported medications and for maintaining, or increasing, funding for current AIDS and Medi-Cal programs; and
- Asserts its opposition to reductions in HIV Prevention Programs and research, and
- Declares its opposition to proposed ADAP enrollment caps and Medi-Cal reductions that will seriously threaten the quality of life and availability of care and services for people with or at-risk of HIV/AIDS in California,
- Includes these positions in the County's 2004 legislative program and directs County representatives to advocate strongly against the cuts and service curtailments, and for strategies that do not further risk the health of people living with HIV/AIDS; and
- Designates the Los Angeles County Commission on HIV Health Services, including the Prevention Planning Committee, the Office of AIDS Programs and Policy (OAPP) and the Department of Health Services to take the lead in framing the County's response to these proposals.